

CLERK: 27 ayes, 0 nays to cease debate.

SPEAKER BARRETT: Debate is ceased. Senator Johnson, would you care to close? (Gavel.)

SENATOR V. JOHNSON: My colleagues, my comrades, we are here for the moment to advance LB 773. Senator Warner says he is nervous about his vote because he knows that when 773 becomes law the state's tax, income tax system will be exposed to continuous attempts at erosion, and change, and so on. But what Senator Warner forgets and what others forget is that the state tax system for the last 10, 20, 30 years, the last 20 years has been exposed to erosion, entreaties and changes because of Congress, because of Congress, because our tax system as a state was totally dependent on the whim and caprice of Congress, and as the lobbyists got to Congress and Congress made changes to the federal tax system, they made changes to the state tax system, and you and I didn't even have any say-so over what those lobbyists said. We have no say-so over those entreaties. So, Senator Warner, I know that you are concerned. I am concerned, too, but in the end we at least become the masters of our own destiny as opposed to being tied to what Congress says goes, and what it says does not go. Senator Morehead and Senator Scofield are concerned about our study. Senator Morehead says our study will be a waste. Senator Scofield says I wonder what the study will bring if we make these kinds of massive changes now. Our tax study goes to such things as property taxes. Our tax study goes to such things as sales taxes. Our tax study goes to such things as border bleeding. Our tax study will end up with information about how we can handle an income tax system even better. Incidentally, a majority of states have systems similar to what we are putting in place here. They move off of adjusted gross income as opposed to federal tax liability. I suspect that our tax study will not say that we made a terrible mistake with 773. At most, it will say we still need to do some tinkering on the edges. That is my guess. I do not know, but this tax study should not be undone, should not be replaced, should not be supplanted. LB 773 is but one part of an overall piece. Senator Wesely is concerned about the ultimate cost of administering 773. The Department of Revenue says \$1.5 million. In truth I think it is about \$2.5 million. We have some additional money in 773 that will take care of the cost of administration. One of the things that your Revenue Committee knows so well and good is that the Revenue Department has been shortchanged over the last four years because of our marriage to